

## Message Text

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ACTION EB-03

INFO OCT-01 SS-14 ADP-00 NSCE-00 SSO-00 INRE-00 L-02 NSC-10

CIAE-00 INR-10 NSAE-00 RSC-01 COME-00 TRSE-00 TAR-01

EUR-10 IO-03 OIC-04 AGR-05 RSR-01 /065 W

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O 201753Z JUL 73 ZFF-6

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 8199

INFO USMISSION EC BRUSSELS IMMEDIATE

USMISSION GENEVA IMMEDIATE

C O N F I D E N T I A L BRUSSELS 4159

LIMDIS

EO 11652 GDS

TAGS: ETRD, GATT, EEC, BE

SUB: ARTICLE XXIV:6 NEGOTIATIONS

1. SUMMARY: IN SEPARATE CALLS TODAY ON GRANDRY, DIRECTOR GENERAL OF FOREIGN MINISTRY AND DAVIGNON, DIRECTOR GENERAL, POLITICAL AFFAIRS (BY CHARGE), AND DOOREMAN, ACTING DIRECTOR GENERAL FOR FOREIGN TRADE (BY ECON/COM. COUNSELOR), WE HAVE REITERATED US CONCERN THAT EC DELIBERATIONS RESULT IN LIST OF CONCESSIONS WHICH WOULD GIVE SUBSTANTIAL BENEFITS TO US AND OUR HOPE THAT BELGIAN APPROACH WITHIN THE COMMUNITY WOULD SUPPORT SUCH A RESULT. ALL THREE BELGIAN OFFICIALS EXPRESSED UNDERSTANDING FOR US POSITION AND RE-EMPHASIZED BELGIAN DESIRE TO PLAY A CONSTRUCTIVE ROLE. BELGIAN POSITION, AS DESCRIBED BY DAVIGNON, COULD PRESENT CERTAIN PROBLEMS FOR US, HOWEVER, GIVEN CURRENT STATUS OF EC COMMISSION PROPOSALS AND CURRENT NEGOTIATING FRAME WORK. WE URGED THAT BELGIUM FIND WAYS TO SUPPORT LIST SATISFACTORY TO US. END SUMMARY.

2. IN TALKS WITH BELGIANS, WE MADE FOLLOWING POINTS (AFTER HAVING CONSULTED WITH USEC):

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(A) WE UNDERSTAND THAT FRENCH ARE INSISTING THAT, EVEN IF BENEFICIARIES OF CONCESSIONS ARE NOT DESIGNATED, EC LIST SHOULD INCLUDE NOTHING OF PRIMARY INTEREST TO US:  
B) WE UNDERSTOOD BELGIAN POSITION TO BE THAT, WHILE THEY DID NOT AGREE WITH OUR VIEW THAT COMPENSATION OWED TO US UNDER GATT RULES, FOR POLITICAL REASONS EC COMPENSATION LIST SHOULD INCLUDE ITEMS OF INTEREST TO US.  
C) OUR MAIN CONCERN IS THAT EC LIST OF CONCESSIONS CONTAIN GROUP OF ITEMS SATISFACTORY TO US, INCLUDING SUBSTANTIAL CONCESSIONS ON TOBACCO AND CITRUS. WE WOULD NOT OBJECT IF EC FINDS IT EASIER TO "GLOBALIZE" ITS CONCESSIONS, I.E., NOT SPECIFY BENEFICIARY COUNTRIES, AS LONG AS LIST ITSELF IS SATISFACTORY.

3. GRANDRY, DAVIGNON AND DOOREMAN EACH AGREED THAT OUR UNDERSTANDING OF BELGIAN POSITION WAS CORRECT. GRANDRY STATED THAT HE WOULD INFORM THE FOREIGN MINISTER (NOW IN AUSTRIA) OF OUR CONCERNS, BEFORE BRUSSELS COUNCIL MEETING.

4. DAVIGNON STATED THAT HE HAD NOT BEEN FOLLOWING XXIV:6 FOR SEVERAL DAYS, BUT WOULD CHECK ON STATUS OF PREPARATIONS FOR EC COUNCIL MEETING. IN COURSE OF DISCUSSION, HE DESCRIBED INSTRUCTIONS TO BELGIAN PARTICIPANTS (PRESUMABLY PERM REP AND COMMITTEE 113 REP) AS CALLING FOR SUPPORT OF INCLUDING ITEMS OF INTEREST TO US ON EC OFFER LIST, BUT WITHOUT SPECIFYING THEM AS INCLUDED FOR THIS REASON AND WITHOUT ADMITTING THAT ANY CONCESSIONS ARE OWED TO US. IN PRACTICE THIS WOULD BOIL DOWN TO SUPPORTING INCLUSION OF ITEMS THAT MIGHT BE ADVANCED BY EC COMMISSION AS OF VALUE TO OTHER BENEFICIARIES, BUT WHICH WOULD ALSO BENEFIT US. CHARGE NOTED THAT THIS FORMULATION COULD MAKE IT DIFFICULT TO END UP WITH TOBACCO AND CITRUS CONCESSIONS. DAVIGNON REPLIED THAT MUCH WOULD DEPEND ON INGENUITY AND HELPFULNESS OF EC COMMISSION IN PROPOSING ITEMS FOR CONCESSION. HE DID NOT THINK THERE WOULD BE A PROBLEM OF INCLUDING TOBACCO CONCESSIONS OF VALUE TO US, BECAUSE OF INTEREST IN TOBACCO BY COUNTRIES WHICH EC RECOGNIZED AS "CREDITORS". CITRUS, HE ADMITTED MIGHT POSE A PROBLEM, DEPENDING ON WHAT PROPOSALS EC COMMISSION IS COMING UP WITH. IT OFFER LIST, DRAWN UP ON PRINCIPLES NOW AGREED AMONG EC MEMBERS, DOES  
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NOT APPEAR TO BE PRODUCING RESULTS BELGIANS ARE SEEKING, BELGIANS WOULD HAVE TO TAKE FURTHER LOOK AT THE SITUATION TO SEE WHAT COULD BE DONE. CHARGE REITERATED CONCERN THAT RIGID RELIANCE ON CRITERION OF "PRIMARY INTEREST" FOR COUNTRY OTHER THAN US IN DRAWING UP THE OFFER LIST MIGHT PREVENT AGREEMENT ON A LIST SATISFACTORY TO US. HE STRESSED THAT US INTEREST WAS IN THE SUBSTANCE OF THE CONCESSIONS RATHER THAN HOW THEY MIGHT BE ARRIVED AT; AND THAT SATISFACTORY RESOLU-

TION OF ARTICLE XXIV:6 ISSUE REMAINED VERY IMPORTANT IN BROADER  
PERSPECTIVE OF US-EUROPEAN RELATIONS.BOOCHEVER

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## Message Attributes

**Automatic DecapTIONing:** Z  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 20 JUL 1973  
**DecapTION Date:** 28 MAY 2004  
**DecapTION Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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